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TWENTIETH ANNUAL REPORT

OF THE

Alberta Liquor Control Board

OF THE

PROVINCE OF ALBERTA

1943

(FROM 1st APRIL, 1943, TO 31st MARCH, 1944)

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON;
Printed by A. Shnitka, King's Printer
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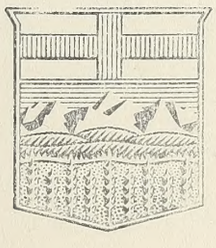

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ALBERTA LIQUOR CONTROL BOARD

Edmonton, 17th February, 1945.

The Honourable Ernest C. Manning,
Premier,
Parliament Buildings,
Edmonton, Alberta.

Sir:

We have the honour to submit herewith the Report of the Alberta Liquor Control Board, covering the fiscal period from April 1st, 1943, to March 31st, 1944.

We have the honour to be, Sir,

Your obedient servants,

John A. King,
Chairman.

J. F. Percival,
Member.

TABLE OF CONTENTS

1. Report.

Statements

2. Balance Sheet ..... Statement "A"

3. Profit and Loss Account ..... Statement "B"

4. Cost of Goods Sold ..... Statement "C"

Appendices

Appendix "A": Statement showing Brewery, Beer, Club and Canteen Licenses, with record of Cancellations and Suspensions.

Appendix "B": Memorandum of Permits Issued.

Appendix "C": Staff Return.

REPORT
ALBERTA LIQUOR CONTROL BOARD

Introduction

The Twentieth Annual Report of this Board deals with operations during the Fiscal Year 1st April, 1943, to 31st March, 1944.

Included with the Report, the customary Financial Statements and Appendices are submitted.

Federal Restrictions Regarding Purchases of Spirits, Wine and Beer

The restrictions imposed by the Federal Government by Order in Council on the 16th December, 1942, whereby the quantities of all Liquors available to the Board were reduced by percentages indicated in the Nineteenth Report, remained in effect throughout the Fiscal Year, with the exception that on the 13th March, 1944, the order respecting beer was withdrawn. However, this relief in the beer situation came too late in the Fiscal Year to be reflected in the operations covered by this Report.

Furthermore, although from 13th March, when the order was withdrawn, the Board could theoretically order all the beer necessary to supply the demand, yet the quantity available was still limited, as the Brewers were unable to obtain adequate additional supplies of malt. The situation was further made difficult owing to shortage of containers, such as kegs and bottles, and inability to replenish the supply on hand.

With no evidence in sight of any decrease in demand, which is still abnormal, it is anticipated that some time must of necessity elapse before conditions return to normal.

There has been no improvement in the situation regarding Wines and Spirits—on the contrary, shipments from Overseas have been further restricted, and it is becoming a major problem to replenish stocks of Scotch whisky owing to the scarcity of available supplies.

The demand for Wine has increased out of all proportion to that customary prior to the period designated as the "Beverage Year," 1st November, 1941, to 31st October, 1942, and this situation has resulted in some discontent on the part of the purchasing public, but nevertheless it is one over which the Board has little control.

During the Calendar Year which ended on 31st December, 1941, the Board issued 149,444 Individual Liquor Permits. For the Year ending on 31st December, 1943, a total of 400,187 Permits was issued. It is quite evident from these figures that the quotas built up during the "Beverage Year" by about 150,000 Permittees must now be spread to meet the demand of over 400,000 purchasers.

Licenses

Five Breweries were granted Licenses to manufacture beer in this Province.

Beer Licenses to the number of 399, with respect to Hotels, were issued during the year. Of this number, 373 were operative as at 31st December, but during the year 23 Hotels had changed hands, necessitating the issuance of new Licenses. The greatest number of Licenses in operation at any one time during the Year was 376. The Hotels at Brant and Parkland were destroyed by fire, happily without loss to any of the guests. At Hemaruka the Licensee decided to discontinue operations, and the License was not replaced. It was found necessary to discipline two Licensees by way of suspension of privileges, because of infractions of The Liquor Control Act, but on the whole the Hotels have been well conducted, and have continued to give satisfactory service to the public.

We have been passing through a period when conditions, particularly regarding the acquisition of suitable help, have been difficult, and it is has not always been physically possible to provide and maintain that high standard of service to which the public has become accustomed during past years. However, in spite of this, many of our Hotels have carried out substantial improvements to premises and accommodations, and the programme will be extended as and when new materials are available.

Inability to obtain suitable help has been particularly noticeable with respect to the operation of dining rooms and coffee shops. In many instances Licensees have found it impossible to obtain the services of a cook, regardless of the wage offered, but many have continued to provide meals on a restricted basis. Others have been obliged to close the dining room temporarily. As the situation becomes easier, the Board will insist that these services be re-established.

The Board has enjoyed the co-operation of the Alberta Hotel Association in dealing with matters pertaining to licensed Hotels, and takes this opportunity to express its thanks to the Executive Officers for their efforts on behalf of the Industry.

Licenses were issued to 51 Clubs, including Golf and Country Clubs, and the Board is pleased to record that all such premises were conducted in a satisfactory manner throughout the Year.

Canteens operated on behalf of the Armed Forces were licensed at 44 locations.

All licensed premises are visited frequently by Inspectors employed by the Board for that purpose. During the period under review, approximately 1,200 inspections were made.

Details respecting Licenses issued and suspensions imposed will be found in Appendix "A".

Extracts and Essences

Licenses authorizing the sale of Alcoholic Flavouring Extracts and Essences to the number of 1,541 were granted, and five of these were subsequently cancelled upon Police recommendation.

It is a matter of record that when sales of liquor are restricted, "Liquor Addicts" will resort to various expedients in order to augment supplies, often with results which are disastrous to themselves. The use of Alcoholic Flavouring Extracts and Essences for beverage purposes has always been in effect to a limited extent, mostly by persons who were debarred from purchasing liquor through legal channels.

During any period in which supplies of liquor are curtailed, the use of these substitutes has materially increased.

There is a large legitimate demand for these products for the purposes for which they are intended, i.e., for flavourings in cooking and baking, but unless great care is taken in distribution and sale, purchases are often made for illegitimate purposes. This situation creates a problem for Law Enforcement Officers, and in consequence it may be necessary for the Board to impose further restrictions. When satisfied that the holder of an Extract License is not exercising sufficient care in the sale of these products, the privilege of sale is withdrawn.

Local Option

No Local Option Plebiscites were held during the Year.

Law Enforcement

The Board extends its thanks and appreciation for the co-operation of the Officers of the Royal Canadian Mounted Police, and of City and Municipal Police Forces, whose duty it is to enforce the provisions of the Liquor Act.

Permits

Revenue derived from the sales of Permits during the Calendar Year ended 31st December, 1943, totalled $200,996.50, as against $100,347.00 realized during the preceding Year.

The Board cancelled 2,356 Permits, and in addition 129 Permits held by persons whose names were placed on the List of Interdicts automatically became void when the Interdiction Orders were placed.

A Statement showing the number of Permits issued will be found in Appendix "B".

Miscellaneous

As at 31st March, 1944, the number of Interdiction Orders in force was 716. During the Fiscal Year 187 new Orders were received, and 222 names were removed from the List.

Cash and Trade Discounts, totalling $11,377.71, were obtained on transactions which took place between 1st April, 1943, and 31st March, 1944.

Vendors at Government Liquor Stores made 2,840,853 individual sales to Permittees, at an average of $4.40 in value.

Holders of Beer, Club and Canteen Licenses made 35,265 separate purchases.

Prescriptions issued by Members of the College of Physicians and Surgeons in Alberta to the number of 5,851 were filled at Government Liquor Stores.

Approximately 5,600,000 gallons of beer were sold, and of this quantity about 50,000 gallons were manufactured outside the Province.

Other sales were made up as follows:

	Imperial Gallons	
	Imported	Domestic
Wines	13,800	112.750
Liqueurs	1,080	2,350
Spirits	117,000	116,500
Alcohol, 65 O.P.	.....	195
Alcohol, Proof	.....	24
Alcohol, Absolute	.....	7

There was a marked increase in the number of packages of Liquor shipped by Express, and these numbered 58,662, at a cost for transportation of $19,363.27, as against 30,056 packages and transportation charges of $10,972.10 in the preceding year.

In addition, 5,599 packages were forwarded by mail, at a cost to the Board of $4,015.60. During the preceding Fiscal Year the number of packages of Liquor sent through the mails totalled 3,872

The above figures would appear to indicate a heavy demand from Permittees who reside at points not at present served by the existing chain of Government Liquor Stores, and some readjustment of these facilities may be necessary at a later date.

The Board paid to the Dominion Government $2,176,421.86 by way of Customs and Excise Duty and Sales Tax on merchandise cleared from Bond, and the Alberta Brewers also paid $2,623,559.64 for Malt and Sales Tax on beer manufactured and sold between 1st April, 1943, and 31st March, 1944.

Staff

The Board is pleased to express appreciation of the continued loyalty and co-operation of the Staff.

Staff details as at 31st March, 1944, appear in Appendix "C".

John A. King,
Chairman.

J. F. Percival,
Member.

STATEMENT "A"
ALBERTA LIQUOR CONTROL BOARD
BALANCE SHEET AS AT MARCH 31st, 1944

ASSETS

Cash on hand, in banks and in transit		$ 100,567.32
Cash in Treasury Branches		6,459.19
INVENTORIES:		
Stocks of liquor in bond at cost	$ 321,851.09	
Stocks of liquor in warehouses and stores at warehouse cost	570,861.66	
	$ 892,712.75	
Liquor in transit, prepaid	12,536.00	
Containers on hand	803.84	
		906,052.59
Accounts receivable		16,053.06
Automobiles, furniture and fixtures at cost less reserve for depreciation		3,385.08
Prepaid expenses		14,911.80
Superannuation fund net assets, per Statement "G"		162,232.32
PROVINCIAL TREASURER:		
Income unremitted, March 31, 1943	$ 25,219.89	
Add: Income for year ended March 31, 1944:		
Liquor profits and license fees	5,112,473.58	
Permit fees	243,632.50	
	$5,381,325.97	
Less:		
Remittances during year ended March 31, 1944 $5,399,932.20		
Transferred to general reserve 50,000.00		
	5,449,932.20	
		68,606.23
		$1,278,267.59

LIABILITIES

Bank of Montreal, overdraft		$ 58,882.08
Accounts payable		698,120.20
Due to Superannuation Fund		1,149.24
Unearned license revenue		47,883.75
RESERVES:		
Burglary	$ 10,000.00	
General	300,000.00	
Superannuation Fund	162,232.32	
		472,232.32
		$1,278,267.59

CONTINGENT LIABILITY:

Present value of non-contributory pensions which may be awarded upon employees reaching retirement age ..... $ 374,896.15

JOHN A. KING, Chairman. R. P. LEFROY, Accountant.

Edmonton, Alberta, June 19, 1944.

I have audited the books and records of the Alberta Liquor Control Board for the year ended March 31, 1944.

Physical inventories of liquors and containers were taken at March 31, 1944, by officials of the Board. Quantities were certified by respective warehouse and store managers. Cost of transferring stocks from warehouses to stores was not included in the inventory valuation. Inventories included goods on consignment amounting to $191,659.43, the corresponding liability being included with accounts payable on the Balance Sheet.

Subject to the foregoing remarks, I certify that, in my opinion, the above Balance Sheet is properly drawn up so as to show the true financial position of the Alberta Liquor Control Board as at March 31, 1944, according to information and explanations given to me and as shown by the books of the Board, and the accompanying Statement of Profit and Loss correctly sets forth the result of operations for the year ended at that date.

C. K. HUCKVALE, C.A.,
Provincial Auditor.

STATEMENT "B"

ALBERTA LIQUOR CONTROL BOARD

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 1944

	Liquor	Beer	Total
Gross sales	$7,492,678.19	$9,757,794.81	$17,250,473.00
Less: Cost of goods sold	3,813,240.21	7,791,266.90	11,604,507.11
	$3,679,437.98	$1,966,527.91	$5,645,965.89
Less: Stores' operating expenses			748,711.22
			$4,897,254.67
Add: Special Income:			
License fees		$ 248,805.00	
Less: License expense		21,334.52	
		227,470.48	
Sundry revenue		27,427.38	
Interest earned on bank balance		4,269.56	
Bottle salvage, net profit		619.03	
			259,786.45
Net operating profit			$5,157,041.12
Less: Non-operating expense:			
Capitalized value of non-contributory pensions awarded and interest		$ 39,631.64	
Permit expense		4,935.90	
			44,567.54
Net Income for the year ended March 31, 1944			$5,112,473.58

STATEMENT "C"

ALBERTA LIQUOR CONTROL BOARD

COST OF GOODS SOLD

FOR THE YEAR ENDED MARCH 31, 1944

Inventory, April 1, 1943:		
Liquor	$ 958,045.26	
Beer	138,673.08	
		$1,096,718.34
Add:		
Purchases, liquor	$1,115,280.29	
Purchases, confiscated liquor	200.05	
Purchases, jugs and bottles	70,623.80	
Duty and sales tax	2,176,421.86	
Inward freight	173,245.90	
Marine insurance	43,169.16	
	$3,578,941.06	
Purchases, beer	7,841,351.21	
		11,420,292.27
		$12,517,010.61
Less:		
Cash and trade discounts	$ 11,377.71	
Claims	8,326.28	
Breakages	86.76	
		19,790.75
		$12,497,219.86
Less: Inventory, March 31, 1944:		
Liquor	$ 703,955.36	
Beer	188,757.39	
		892,712.75
Cost of goods sold for the year ended March 31, 1944		$11,604,507.11

ALBERTA LIQUOR CONTROL BOARD

STORES' SALES OF LIQUOR AND BEER

For Year Ended March 31st, 1944

	Net Liquor Sales	Net Beer Sales
Banff	$ 71,826.75	$ 95,966.20
Bassano	40,566.39	20,504.35
Blairmore	73,894.30	188,802.54
Cadomin	50,277.27	22,897.50
Calgary West	1,243,079.65	516,574.90
Calgary East	479,430.55	278,763.20
Calgary Beer		1,836,800.14
Camrose	127,704.70	274,409.29
Coleman	46,419.25	33,261.85
Coronation	38,695.46	17,000.65
Drumheller	160,212.22	320,393.53
Edmonton North	2,194,654.65	904,607.10
Edmonton South	399,599.40	191,273.10
Edmonton Beer		1,903,608.73
Edson	76,972.80	182,135.09
Grande Prairie	152,513.11	184,844.02
Hanna	53,497.10	27,111.30
High River	133,230.60	58,248.90
Jasper	41,582.63	15,658.85
Lacombe	79,327.78	156,403.60
Lethbridge	446,145.55	301,000.89
Lethbridge Beer		691,050.93
Lloydminster	44,505.65	24,232.65
Macleod	105,509.83	111,293.15
Medicine Hat	288,684.59	481,208.45
Milk River	32,475.05	16,038.70
Mundare	53,859.05	28,101.55
McLennan	53,278.54	84,793.97
Nordegg	22,807.65	59,704.29
Peace River	79,564.35	91,017.67
Pincher Creek	33,215.15	17,066.90
Red Deer	231,264.15	313,078.94
Smoky Lake	45,424.75	25,144.50
Stettler	55,855.96	25,778.93
St. Paul	77,891.09	36,891.10
Taber	51,208.30	29,543.55
Vegreville	80,820.63	39,588.85
Vermilion	71,231.03	23,744.25
Wainwright	79,640.40	39,692.15
Wetaskiwin	124,670.16	57,941.30
Willingdon	51,141.70	31,617.25
	$7,492,678.19	$9,757,794.81

Total Liquor and Beer Sales $17,250,473.00

APPENDIX "A"

STATEMENT SHOWING BREWERS, BEER, CLUB AND CANTEEN LICENSES ISSUED, WITH RECORD OF CANCELLATIONS AND SUSPENSIONS

BREWERS' LICENSES ISSUED, 1943

Number	Name of Brewery	Place
1	Edmonton Breweries Limied	Edmonton
2	Lethbridge Breweries Limited	Lethbridge
3	Calgary Brewing and Malting Company Limited	Calgary
4	North West Brewing Company Limited	Edmonton
5	Big Horn Brewing Company Limited	Calgary

SUSPENSIONS OF BREWERY PRIVILEGES, 1943

Nil.

NUMBER OF BEER LICENSES IN FORCE AT DECEMBER 31st, 1943 373

SUSPENSIONS OF BEER LICENSES, 1943

Clyde Hotel, Clyde: Nathan Prepes, Licensee. Beer License No. 227 suspended from April 1st to April 11th, (inclusive), 1943. Infraction Section 36 (4), of The Government Liquor Control Act of Alberta.

New Willingdon Hotel, Willingdon: Willingdon Hotel Company Limited, Thomas Hughes, Manager, Licensee. Beer License No. 222 suspended from November 14th to November 30th, (inclusive,) 1943. Infraction Section 90, of The Government Liquor Control Act of Alberta.

NUMBER OF CLUB LICENSES ISSUED DURING THE YEAR 1943 51

SUSPENSIONS OF CLUB LICENSES, 1943

Nil.

NUMBER OF CANTEEN LICENSES ISSUED DURING THE YEAR 1943 44

SUSPENSIONS OF CANTEEN LICENSES, 1943

Nil.

APPENDIX "B"

ALBERTA LIQUOR CONTROL BOARD

MEMORANDUM OF PERMITS ISSUED FROM JANUARY 1st, 1943, TO DECEMBER 31st, 1943

	Number	Price	Amount
INDIVIDUAL:			
General	400,187	.50	$200,093.50
SPECIAL:			
Physicians, Druggists, Dentists and Veterinarians	355	1.00	355.00
Manufacturing, Mechanical and Scientific Pursuits	30	1.00	3.00
Banquets (all prior to March 31st, 1943)	373	1.00	373.00
Hospitals	91	.50	45.50
Ministers of the Gospel	398	.25	99.50

APPENDIX "C"

STAFF AS AT MARCH 31st, 1944

	Male	Female	Temporary and Casual	Total
ADMINISTRATIVE OFFICES:				
Chairman	1			1
Member of Board (part time)	1			1
Secretary to Chairman		1		1
Secretary's Office	1	1		2
DEPARTMENTS:				
Accountant's	8	1	16	25
Beer Statistics	5	2		7
Licensing	5	1		6
Liquor Stocks	4	2	1	7
Traffic and Customs	3	3	1	7
WAREHOUSES	48	3	25	76
STORES	102		131	233
TOTAL	178	14	174	366

At March 31st, 1944, 29 male and 2 female members of the permanent staff were on leave of absence, serving with His Majesty's Forces, and are not included in the above.